

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 917 - SB 898

April 5, 2021

**SUMMARY OF ORIGINAL BILL:** Increases, from 10 days to 10 business days, the amount of public notice that a local education agency (LEA) is required to give in advance of accepting bids for the construction of, or addition to, school buildings where expenditures exceed \$10,000 and the LEA chooses not to follow the local governing body procurement procedure.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006620):** Deletes all language after the enacting clause. Prohibits a county LEA from operating a school located within the geographic boundaries of a municipal LEA without an interlocal agreement or memorandum of understanding between the two LEAs, beginning July 1, 2022. Authorizes the Commissioner of the Department of Education (DOE) to withhold state education finance funds from an LEA in violation of the prohibition. Establishes certain requirements for municipal school systems and county LEAs which operate within the same geographic boundaries.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The proposed legislation may result in a shift of enrollment between municipal school systems and LEAs or between two LEAs.
- Any enrollment shift will impact the local school systems' average daily membership (ADM) and Basic Education Program (BEP) funding.
- While funding received by each individual school system may change, the total amount of BEP funding will remain the same; therefore, any impact to state expenditures is considered not significant.
- The net fiscal impact to local government statewide is considered not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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